



Fall Term 2023 (HS 2023)

**Doctoral Seminar «Analytical Research in Accounting:
The Economics of Disclosures and Communication in the Context
of Trade under Asymmetric Information»**

Course schedule and reading list

1) Session schedule

Session	Day	Time	Location
1	Monday, 23.10.2023	10:30 – 12:00	KO2-G-275
2	Monday, 23.10.2023	13:30 – 15:00	KO2-G-275
3	Monday, 23.10.2023	15:30 – 17:00	KO2-G-275
4	Tuesday, 24.10.2023	10:30 – 12:00	KO2-G-275
5	Tuesday, 24.10.2023	14:00 – 15:30	PLM-F-103/104
Research Seminar	Tuesday, 24.10.2023	16:15 – 17:45	PLM-F-103/104
6	Wednesday, 25.10.2023	08:30 – 10:00	PLM-F-103/104
7	Wednesday, 25.10.2023	10:15 – 11:45	PLM-F-103/104
8	Wednesday, 25.10.2023	13:00 – 14:30	PLM-F-103/104

On Tuesday, 24.10.2023, 16:15-17:45 Professor Hemmer will present his latest research paper in the Department's Research Seminar in Accounting, Auditing & Governance (AAG). The talk is considered as a part of the doctoral seminar, see: <https://www.business.uzh.ch/de/research/professorships/managerialaccounting/lehre/aag.html>

2) Seminar content and reading list

This seminar provides a somewhat different and personal perspective on alternative approaches to formalizing and analyzing communication of information which is a central issue in accounting theory and research. The nature of information and the channels through which it can be shared are explored in-depth from their core theoretical foundations to examples of how they can be applied to inform issues of broad interest in accounting and beyond. The emphasis is on exploring consequences of path-dependence in research and (perhaps) identifying opportunities created by the process.

Session 1: Before the beginning...

- Hemmer (20xx): Let there be tools – History According to Me

Session 2-1: Skepticism and “no trade”

- Akerlof (1970): The Market For "Lemons": Quality Uncertainty and the Market Mechanism, The Quarterly Journal of Economics, Vol. 84, Issue 3, 488-500.





Session 2-2: Prohibitive cost of lying and unraveling

- Grossman (1981): The Information Role of Warranties and Private Disclosure about Product Quality, *The Journal of Law and Economics*, Vol. 24, No. 3, 461-483.

Session 3-1: Disclosure costs, limited trade, and withholding

- Jovanovic (1982): Truthful Disclosure of Information, *The Bell Journal of Economics*, Vol. 13, No. 1, 36-44.

Session 3-2: Tempered skepticism, limited unraveling and withholding

- Dye (1985): Disclosure of Nonproprietary Information, *Journal of Accounting Research*, Vol. 23, No. 1, 123-145.
- Jung and Kwon (1988): Disclosure When the Market Is Unsure of Information Endowment of Managers, *Journal of Accounting Research*, Vol. 26, No. 1, 146-153.

Session 3-3: Commitment through costly actions - signaling

- Spence (1973): Job Market Signaling, *The Quarterly Journal of Economics*, Vol. 87, Issue 3, 355–374.

Session 4: Continuous cost of lying and partitioning

- Crawford and Sobel (1982): Strategic Information Transmission, *Econometrica*, Vol. 50, No. 6, 1431-1451.

Session 5: Mechanism Design and the Revelation Principle

- Myerson (1979): Incentive Compatibility and the Bargaining Problem, *Econometrica*, 1979, Vol. 47, Issue 1, 61-73.
- Myerson (1982): Optimal Coordination Mechanisms in Generalized Principal-Agent Problems, *Journal of Mathematical Economics*, Vol. 10, Issue 1, 67-81.

Session 6: The standard agency problem formulation and the demand for accounting information

- Holmström (1979): Moral Hazard and Observability, *The Bell Journal of Economics*, Vol. 10, No. 1 (Spring., 1979), 74-91.

Session 7: Refinements and Robustness

- Rogerson (1985): The First-Order Approach to Principal-Agent Problems, *Econometrica*, Vol. 53, No. 6, 1357-1367.
- Jewitt (1988): Justifying the First-Order Approach to Principal-Agent Problems, *Econometrica*, Vol. 56, No. 5 (Sep., 1988), 1177-1190.

Session 8: “Disclosure” vs. Contracting on Communication

- Hart, Kremer, and Perry (2017): Evidence Games: Truth and Commitment, *The American Economic Review*, Vol. 107, No. 3, 690-713.

3) Exam

Grading is based on a take-home assignment (3 ECTS).